DOCUMENT RESUME

ED 300 547 CE 051 125

TITLE Guiding Lights: Policy & Planning.
INSTITUTION Business Council for Effective Literacy, New York, NY.
PUB DATE Jul 88
NOTE 6p.
PUB TYPE Journal Articles (080) -- Information Analyses (070)
JOURNAL CIT BCEL Newsletter for the Business Community; n16 p1,6-9 Jul 1988

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adult Basic Education; *Basic Skills; *Economic Development; *Employment Projections; Employment Qualifications; Futures (of Society); *Job Skills; *Labor Force Development; Policy Formation; Productivity; Public Policy

ABSTRACT

Two significant reports that were published recently have important implications for policymakers, employers, and literacy workers. "Workforce 2000," commissioned by the U.S. Department of Labor, is intended to help shape federal workplace policies and programs as the nation moves toward the next century. The report documents labor patterns and social trends that will produce an unrecognizable America. Chief among the changes is the shift from manufacturing to service industries. The fastest growing jobs show a striking trend toward higher educational requirements. The problem that looms becomes apparent when the trend toward higher skilled occupations is juxtaposed with the inadequate skills of the developing work force. The study sees employers having a new and more extensive role to play in the development of their work force. "Toward a More Perfect Union," a Ford Foundation report, proposes that a national effort to address the current crisis in basic skills will advance the nation's goals. The report implies the need to analyze the consequences of inadequate skills together with their effects on the decline of the nation's work productivity. It asserts that policy planners and legislators must develop more unified responses to the interlocking problems of basic skills, poor families, and the economic future, and argues that basic skills and economic growth are interdependent. (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED300547

BCEL BUSINESS COUNCIL FOR EFFECTIVE LITERACY

ADULT LITERACY: PROGRAMS · PLANNING · ISSUES

A Newsletter For The Business Community

NO. 16 JULY 1988

GUIDING LIGHTS:
Policy & Planning

A number of reports have been published in the past few months with important implications for policymakers, employers, and literacy workers. Two of the most significant, *Workforce 2000* and *Toward A More Perfect Union*, are the subject of this article.

These reports come at the problem of present and future basic skills needs from different perspectives but they are mutually reinforcing. They command attention because they represent new thinking at the highest levels and bring a new level of sophistication to notions about the problem. They speak to planners in the corporate world, in labor, education, and in government and social service agencies across the country.

WORKFORCE 2000: Work And Workers For the 21st Century

Workforce 2000 was commissioned by the U.S. Department of Labor from the Hudson Institute to help shape federal workplace policies and programs as the nation moves toward the next century. It is a rich source of information about jobs of the future and the increasingly higher levels of skills and education they will require. As such, it is the raw material of planning for those at every level who need to evaluate how they are positioned to meet what is coming. The report documents labor patterns and social trends that have been ongoing for decades. It serves notice that these trends are now converging and by the year 2000 will produce an America that is unrecognizable from one that existed only a few years ago.

Chief among the changes is the now familiar shift from manufacturing to service industries, which is already transforming the American economy and the experience of workers in fundamental ways. (Just ask any of the 11.5 million Americans who lost their jobs between 1979 and 1984, and the two million more who, according to various government agencies, are being laid off each year.) This shift, in tandem with others such as a workforce that is becoming older, more female, and more disadvantaged, and the trend toward jobs that will call for much higher skills, are among the forces creating a new social setting.

The new setting will render irrelevant the policies guiding today's economy and labor markets, which were designed in the 30s and 60s in response to the conditions of those decades –i.e. social security, welfare, unemployment insurance, trade adjustment assistance, and training programs, among others.

Take welfare. The present program was designed long before most women worked. Now that a majority of all women with young children work, it no longer seems cruel to require welfare mothers to do so. A new program therefore might well mandate work for all able-bodied welfare mothers except those with infants, backed up by training, day care, job counseling, and a job creation program.

Because long range forecasts are uncertain, *Workforce 2000* provides alternative scenarios based on different rates of economic growth, but they have in common several key points about the U.S. economy and job market over the next 12 years and beyond.

(cont'd on page n. 6)

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☑ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

P Gurmo

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CE051125

BCEL
Business Council For Effective Literacy
1221 Avenue of the Americas, New York, N.Y. 10020
212-512-2415/2412

GUIDING LIGHTS (cont'd from p. 1)

The Economic Background. U.S. growth and world growth are tightly linked. The baseline or "surprise-free" scenario forecasts that the U.S. will grow at a rate of about 2.9 percent compared to 3.1 percent for the world as a whole. The developing nations at the threshold of industrialization will surge ahead.

Manufacturing and manufacturing jobs will decline as a share of the GNP. Where manufacturing produced some 30 percent of all goods and services in 1955, and 21 percent in 1985, its share will drop to less than 17 percent by the year 2000. Just as agriculture lost its central role in the American economy at the beginning of the century, so will manufacturing lose economic importance as the century draws to a close. The report cautions that "those who fail to recognize this inevitable trend–for example, states that try to capture new factories to boost their local economies–will be swimming upstream against a powerful tide..."

But the news isn't all bad. The downhill slide in manufacturing should not be interpreted as a decline in the American destiny, according to the report. On the contrary, it signifies an advancing stage of growth. Historically, economic development all over the world follows a predictable pattern in which agricultural production shifts to manufacturing and then to services. Indeed, the shift to services is a reliable barometer of the stage of industrial advancement that a country has achieved.

What's more, as the world economy prospers, so will ours. It will be in our own interest to help boost the economies of other countries and, as we do so, there will be new opportunities in our own future.

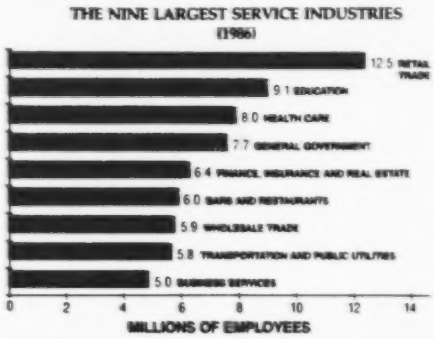
"The envy and anger that many in the U.S. feel toward Japan's success should not blind policymakers to the reality that as Japan (and every other nation of the world) grows richer, the U.S. will benefit–just as it is easier for a company to prosper in a rapidly growing market than to capture market share in a shrinking one....Most of the steps that must be taken to improve U.S. competitiveness have little to do with changing the behavior of the Japanese or Koreans."

As manufacturing shrinks, a major key to the well-being of the U.S. will be improvement of productivity in the service industries. But the report warns that a serious gap is emerging between the advancing skills requirements of the new service economy and the poor skills of new entrants into the labor force. "It has been observed," it states, "that in the competition between the U.S. and Japan, the world's best educated lower half of the workforce is beating the world's best educated upper half." One of the things we must must attend to, therefore, is substantial improvement in the education of large numbers of prospective workers. And this must, *Workforce 2000* stresses, be assigned a high place on the nation's agenda.

Just what are the service industries? Which occupations in them will grow most rapidly? And who will be comprising the new workforce?

The Service Industries. In essence, the service industries are those which do not produce goods. They create economic value without creating a tangible product, though some may add value to manufactured or other products by making them more available, as in transportation or retailing.

The nine largest U.S. industries, ranked in size according to the number of persons they employed in 1986, are shown in the following figure *(Workforce 2000, p. 22)*:



The Changing Job Mix. The above list indicates that many commonly-held assumptions are untrue–for example, that service industries are synonymous with "an information economy" or that service jobs are low quality jobs. The fact is that many of these services have nothing to do with information, and that many–in medical care, finance, and transportation, for instance–are capital and technology intensive. They require extensive knowledge and training, and they pay premium wages.

Workforce 2000 forecasts that the job prospects that will quickly outstrip opportunities in other fields are the professional and technical, managerial, sales, and service jobs. The fastest growing fields? Lawyers, scientists, and health professionals. The disappearing ones? Not surprisingly, machine workers and assemblers, miners, and farmers. The Table at the right shows the changing occupational structure in more detail *(Workforce 2000, p. 97)*:

Rising Educational and Skill Requirements. The fastest growing jobs show a striking trend toward higher educational requirements. Between now and the year 2000, for the first time in history a majority of all new jobs will require some postsecondary education. The median years of schooling required will be 13.5 compared to 12.8 for present-day workers. Almost a third of all jobs will be filled by college graduates. Today, only 22 percent of all occupations require a college degree. Indeed, many professions will call for nearly a decade of study following high school. And even the least skilled jobs will require a command of reading, computing, and thinking that was once necessary only for the professions.

Higher Language, Math, and Reasoning Skills Will Be Needed. Analysis shows that most jobs will require much higher levels of math, language, and reasoning ability. When these specific skill requirements are averaged, only 4 percent of the new jobs can be performed by persons at the lowest skill levels, compared to 9 percent today.

Low-Skill Jobs Are Declining. While the overall pattern of growth is weighted toward higher skilled occupations, very large numbers of new jobs will be created in some medium-to-low-skilled fields. In fact, in absolute numbers the biggest job categories to be created will be service occupations, administrative support, and marketing and sales, which together will account for half of the net new jobs.

In the service category, the largest groups of workers will be cooks, nursing aides, waiters, and janitors. Among administrative support jobs, secretaries, clerks, and computer operators will predominate. In marketing and sales, most of the new slots will be for cashiers. With the exception of computer operators, most of these large categories require only modest levels of skills. But even for these jobs, which typically fall in the middle range of skills needed for present jobs, workers will be expected to read and understand directions, add and subtract, and speak and think clearly. In other words, jobs now in the middle of the skill distribution range will become the least skilled occupations of the future. For unskilled workers job opportunities will be very scarce.

THE CHANGING OCCUPATIONAL STRUCTURE, 1984–2000

Occupation	Current Jobs (000s)	New Jobs (000s)	Rate of Growth (Percentage)
Total	105,008	25,952	25
Service Occupations	16,059	5,957	37
Managerial and Management-Related	10,893	4,280	39
Marketing and Sales	10,656	4,150	39
Administrative Support	18,483	3,620	20
Technicians	3,146	1,389	44
Health Diagnosing and Treating Occupations	2,478	1,384	53
Teachers, Librarians, and Counselors	4,437	1,381	31
Mechanics, Installers, and Repairers	4,264	966	23
Transportation and Heavy Equipment Operators	4,604	752	16
Engineers, Architects, and Surveyors	1,447	600	41
Construction Trades	3,127	595	19
Natural, Computer, and Mathematical Scientists	647	442	68
Writers, Artists, Entertainers, and Athletes	1,092	425	39
Other Professionals and Paraprofessionals	825	355	43
Lawyers and Judges	457	326	71
Social, Recreational, and Religious Workers	759	235	31
Helpers and Laborers	4,168	205	5
Social Scientists	173	70	40
Precision Production Workers	2,790	61	2
Plant and System Workers	275	36	13
Blue Collar Supervisors	1,442	−6	0
Miners	175	−28	−16
Hand Wworkers, Assemblers, and Fabricators	2,604	−179	−7
Machine Setters, Operators, and Tenders	5,527	−448	−8
Agriculture, Forestry, and Fisheries	4,480	−538	−12

Source: Hudson Institute.

The Looming Mismatch. The problem that looms becomes apparent when all of this is juxtaposed with the inadequate skills of the developing workforce. As it is, the low levels of basic skills among today's 21-25 year-olds, as found in the recent National Assessment of Educational Progress, is a matter for concern (as is the skills levels of much of the current workforce). This problem is compounded by the composition of the new entrants into the labor force, many of whom are disadvantaged and not well matched to the jobs the economy is creating.

Between now and the year 2000 the population and the workforce will grow more slowly than at any time since the 1930s. The average age of both will rise and the pool of young workers will shrink.

Minorities will comprise a larger share of the pool of new workers, making up 29 percent of the entrants into the labor force, twice their current share. Immigrants will represent the largest share of the increase for the first time since World War I. Some 600,000 legal and illegal immigrants are projected to enter the U.S. annually for the rest of the century. More women will be working as well. More than 60 percent of all women of working age are expected to have jobs by the year 2000, representing almost two-thirds of all new workers. (They will still be concentrated in jobs that pay less than men's jobs, but they will be rapidly entering many higher paying professional and technical fields.) Non-whites, women, and immigrants together will comprise more than five-sixths of the net additions to the workforce, though they make up only about half of the workforce today.

Changes in the job market will affect the different groups in different ways. Older workers who lose jobs will be hard-pressed to match previous salaries when they find new ones. While young whites may find their job prospects improving, for black men and Hispanics the job market will be particularly difficult. In contrast to their rising share of the new entrants into the workforce, black men will hold a declining fraction of all jobs if they simply retain their current share of various occupations. Black women, however, will hold a rising portion of the new jobs, though this increase will be less than needed to offset their growing share of the workforce.

Among the various implications of the new national scenario is that with more single mothers and two-parent households at work, employers and government will need to reconcile the demands of the workplace and the family. Arrangements will be needed for part-time work, flexible hours, pregnancy leave for parents, and so forth. Daycare, like health care in the 70s, will claim a rising portion of national income. (Currently, only about 2,000 of the nation's six million employers provide daycare as a fringe benefit, though the evidence is that those who do have less turnover and absenteeism, and higher worker productivity, than those who don't.) Indeed, in the next decade and beyond, policies and patterns of child-rearing, taxation, pensions, hiring, compensation, and industrial structure will need to change to conform to the new realities.

Most pointed with regard to education is that if new efforts to employ minority workers are to succeed where others have failed, the entire public education system will need radical overhauling: "Traditional job training and employment programs by themselves are unlikely to have profound impacts on the success of minority youth. Unless the $127 billion public education system can somehow be better harnessed to serve minority youth, a $4 billion Job Training Partnership Act can make only a small dent in the problem."

The study sees employers having a new and more extensive role to play in the development of their workforces. It holds that they are among the most knowledgeable designers of cost-effective training programs and that "second chance" educational systems developed at the worksite are likely to play a key role. But it also calls for government-funded R&D programs aimed at improving the nation's productivity.

The concluding words of *Workforce 2000* are these:

"Promoting world growth, boosting service industry productivity, stimulating a more flexible workforce, providing for the needs of working families with children, bringing minorities into the workforce, and improving the educational preparation of workers are not the only items on the nation's agenda between now and the year 2000 but they are certainly among the most important. More critically, they are issues that will not go away by themselves. If nothing unusual is done... they are likely still to be with the nation at the beginning of the next century." The time to address them is now. **(cont'd on p. 8)**

GUIDING LIGHTS (cont'd from p. 7)

Toward A More Perfect Union

Toward A More Perfect Union is a Ford Foundation report by Gordon Berlin, recent Deputy Director of Ford's Urban Poverty Program and Andrew Sum, Professor of Economics at Northeastern University. The report's main thesis is that a "concerted national effort to address the current crisis in basic skills would advance the nation's goals..." The report implies the need to analyze the consequences of inadequate skills in concert with their effects on the decline of the nations's work productivity and it asserts that policy planners and legislators must develop more unified responses to the interlocking problems of Basic Skills, Poor Families, and Our Economic Future, the report's subtitle.

The authors bring together a wide range of valuable research studies and statistics to demonstrate that those without basic academic skills, defined as the ability to read, write, communicate, and compute, are more likely to become school dropouts, teenage parents, jobless, welfare dependent, and involved in crime–an endless cycle which bears a distinct relation to the future well-being of workers, families, firms, and the country as a whole.

The connection between these problems may appear self-evident. "Yet the researchers and practitioners who work on these issues generally view them as distinct problems. Sociologists and social workers focus on the family and teenage pregnancy, educators concentrate on schooling and dropouts, and labor economists emphasize employment and training. This has led to a circle of endless 'mysteries' and 'puzzles' that have some of the finest researchers and leaders in the country concluding that we simply do not know what to do about these problems." Happily, the authors maintain that we do know what to do. However, we have been treating problems singly and with short-term solutions in mind rather than as interrelated patterns requiring long-term strategies and goals. The strength of this report lies in the careful use of thorough statistical analyses to belie many of the stereotypical conclusions and traditional attitudes which govern much of our present approach to educational and social problems.

Item: It is a mainstream attitude that unemployed young people are "lazy," and that there are plenty of jobs "out there" if only they would get out and look.

Fact: The transformation of the nation's economy since the late 1940s, from a manufacturing to a service base, has had a devastating effect on all young people and has been especially severe for those deficient in basic academic skills. The authors report that in the early 1970s nearly 60 percent of 20-to 24-year-old men were able to earn enough to support a family of three; by 1984 only 42 percent could do so. In early 1974, black men aged 20 to 24 held half of the blue-collar craft, operative, and foreman jobs; by 1984 they held only about a quarter of such jobs. The big untold story in the decline of the manufacturing sector was this "silent firing" of young workers–those who were never hired to replace retiring workers. Those jobs are just not out there.

Item: There is a popular belief that the numbers of teenage pregnancies and single-parent households, especially among minorities, is a sign of moral decay in our times.

Fact: The rate of out-of-wedlock childbearing among all single women has stayed about the same in the past decade and has declined for blacks. The wage stagnation of the 1970s and the recession of the 1980s severely affected the earnings capacity of young men, especially those with limited skills. Women are less likely to marry men who can't support them even when these men have fathered their children. Men without adequate earnings are equally less likely to marry. Hence, the single-parent household among minorities is a sign of profound economic change unrelated to individual morals.

Item: Students who are poor academic achievers and drop out of school are usually stereotyped as lacking in native ability, an attitude which all too often becomes a self-fulfilling prophecy.

Fact: Lack of achievement is most often related to lack of effort, not lack of ability. Dropouts who have second-chance opportunities succeed in programs where teachers have high expectations which are also self-fulfilling.

The authors refer to report after report in which employers have confirmed the growing importance of education and literacy in our changing economy. This is buttressed by their statistical analysis which points to the absolute necessity for improving the nation's productivity through greater efficiency in white collar and service jobs–a management and sociological challenge of the first magnitude. Those white-collar and service jobs will have to be filled by people who are now educationally and economically disadvantaged. In short, economic, occupational, and demographic changes have heightened the importance of tending to basic skills.

Basic skills and economic growth are interdependent. Without adequate growth, there will not be enough jobs for those with limited skills, while at the same time, a less skilled workforce will impede economic growth. We must intervene, the report concludes, at every point in the cycle of poor achievement, school dropping-out, teen parenting, joblessness, welfare dependency, single-household parenting, and poverty, not just for the sake of each individual life but for the sake of a "more perfect union." Legislators are grappling with programs in each of these areas already, but most of the effort is not focused on the crucial intertwinings.

Using data from the National Longitudinal Surveys of Youth Labor Market Experience, the authors estimate that if we could raise the mean tested basic skills of young adults by even one grade equivalent, the subsequent change in lifetime earnings, out-of-wedlock births, welfare births, welfare dependency, and arrests would be significant enough so that any investment in basic skills should be extraordinarily cost-effective.

While the challenge is of immense proportion, the authors maintain that it is essential to give special attention to the academic and vocational skills of those at the bottom of the ladder. The action agenda they propose includes the following:

- *Offer a continuum of services for both parents and children in recognition of the intergenerational causes of low basic skills.*

"It is unlikely that we will be able to make a major difference for the child unless we place equal priority on education and academic remediation for the parent." Early language inadequacies impair overall intellectual development, social skills, and psychological health. Head Start's educational programs for children and Job Corps' education and parenting programs for mothers are given as examples of programs that would produce larger gains if linked than they do as independent forms of intervention.

- *Address the phenomenon of summer learning loss, especially during the neglected middle school years when students learn the basic academic skills they will need for a lifetime of learning and working.*

The report finds that "80 percent of the difference between advantaged and disadvan-

taged children in year-to-year learning occurs during the summer." It points to the Summer Training and Education Project (STEP) as one model that has had encouraging results from its first two summers.

• *Smooth the transition from school to work for high school graduates who are not college bound.*

"We have the least well articulated system of school-to-work transition in the industrialized world." American guidance and counseling services are geared almost solely toward the needs of the college bound. We have failed to make investments in postsecondary education, training, and apprenticeship programs for all who leave school. The report suggests that the success of Jobs for America's Graduates (JAG) indicates that such school-to-work transition programs should be an integral part of the high school curriculum. JAG currently operates in 13 states and 275 high schools.

• *Build a strong vocational training, retraining, and apprenticeship system.*

During the past two decades, a smaller proportion of young high school graduates has been able to secure full-time jobs in the first year after graduation. Efforts to strengthen the nation's training system will require a variety of actions to correct this situation. Two recommended by the authors are to: (a) create a national technology-investment act to help nonprofit organizations purchase new equipment, materials, and technologies that have proven effective; and (b) to set up comprehensive programs in housing projects. Combining aspects of (a) and (b) could produce especially good results, and, drawing on the experience of projects funded by Ford, the report illustrates how this interweaving might be done.

"It isn't that we don't know what to do." The challenge is "to do it on a large enough scale and on a sequential basis so that each intervention in the developmental process will be a stepping stone to the next." This means "moving beyond building good independent programs to establishing entire systems." Only such comprehensive approaches will help to "break the cycle of transferring deficient skills–and hence, poverty, dependency, and underemployment–from generation to generation."

(*Workforce 2000* is available for $4.50 from The Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, 202-783-3238. *Toward A More Perfect Union* is available at no cost from the Office of Reports, The Ford Foundation, 320 East 43rd Street, New York, NY 10017.) ■